

Message Text

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ACTION AF-08

INFO OCT-01 ISO-00 SS-15 SP-02 PER-01 SIG-01 A-01
MMO-01 EB-08 SCA-01 IO-13 INR-07 PM-04 CU-02
AGR-05 AID-05 CIAE-00 COM-02 DODE-00 FEA-01 NSC-05
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R 311050Z MAR 77

FM AMEMBASSY LIBREVILLE

TO SECSTATE WASHDC 9117

C O N F I D E N T I A L SECTION 1 OF 2 LIBREVILLE 0791

E.O. 11652: GDS

TAGS: AMGT, PFOR, GB

SUBJECT: ANNUAL POLICY AND RESOURCE ASSESSMENT FOR GABON: PART I

REFS: A. STATE 38356

B. STATE 38338

C. STATE 50086

PART I

A. US INTERESTS

US INTERESTS IN GABON ARE PRIMARILY ECONOMIC AND COMMERCIAL (NEARLY \$200 MILLION IN INVESTMENTS, AN 1975 TRADE OF \$59 MILLION IN US EXPORTS AND \$197 MILLION OF US IMPORTS). WE SEEK CONTINUED ACCESS TO GABONESE MARKETS AND MINERAL RESOURCES AND PROTECTION FOR OUR INVESTMENTS, ALL OF WHICH ARE LIKELY TO ASSUME INCREASING IMPORTANCE IN YEARS TO COME. NATURE OF GABON'S RESOURCES AND ITS GEOGRAPHIC LOCATION ALSO INDICATE POTENTIAL STRATEGIC VALUE TO US. FINALLY, GOOD POLITICAL RELATIONS COMPLEMENT THESE ECONOMIC INTERESTS BOTH IN FOSTERING CLIMATE FOR COUNTRY TO PROSPER AND IN ENCOURAGING GOG FOREIGN POLICY ORIENTATIONS FAVORABLE TO US IN INTERNATIONAL FORA AND IN INFLUENCING OTHER AFRICAN STATES.

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STRENGTHENING ECONOMIC TIES WITH PRAGMATIC GOG SHOULD HELP MODERATE ITS POSITION IN INTERNATIONAL ECONOMIC FORA, WHERE S/P ANTICIPATES INCREASING AFRICAN DEMANDS, AND INDUCE GOG TO EXERCISE CONSTRUCTIVE INFLUENCE TOWARD NON-CONFRONTATIONAL APPROACH ON NORTH-SOUTH ISSUES. SUCH CLOSE TIES LIKELY ALSO ENCOURAGE GOG TO SUPPORT NEGOTIATED SOLUTION TO SOUTHERN AFRICAN

DILEMMA, SEEN BY S/P AND AF AS CONTINUING CRISIS THROUGH FY-79.

B. OVERVIEW

POLITICAL STABILITY WHICH HAS CHARACTERIZED GABON DURING PAST FEW YEARS APPEARS LIKELY TO PERSIST AND WITH

IT FIRM CONTROL EXERCISED BY PRESIDENT BONGO. THUS, CURRENT POLICY OF MAINTAINING AND DEVELOPING BONGOS GOOD WILL SHOULD REMAINS VALID THROUGHT PERIOD OF THIS ASSESSMENT AND REQUIRE CONTINUATION OF SUCH MEASURES AS SECURITY ASSISTANCE, EXIMBANK RESPONSIVENESS, AND HIGH LEVEL PERSONAL ATTENTION TO BONGO HIMSELF.

WITH BONGO IN CHARGE, GABON CAN BE EXPECTED CONTINUE DEAL PRAGMATICALLY WITH INTERNATIONAL AND AFRICAN ISSUES. DURING FY-78 BONGO AS OAU PRESIDENT IS LIKELY TO SEEK CONSENSUS POSITION, ESPECIALLY ON CONTENTIOUS AFRICAN ISSUES, BUT DIVISIVENESS FORESEEN BY AF MAY IMPEL BONGO TO MORE OUTSPOLEN ADVOCACY OF RELATIVELY MODERATE POSITIONS IN PERIOD (FY-79 AND BEYOND) FOLLOWING HIS PRESIDENCY.

PRAGMATIC LEANING TOWARD RELATIVE MODERATION AND ADHERENCE TO BASICALLY PRO- WESTERN ORIENTATION WILL ALSO BE ENCOURAGED BY GOG DEPENDENCE ON EUROPEAN AND AMERICAN FINANCIAL INSTITUTIONS TO WEATHER CREDIT SQUEEZE WHICH GABON LIKELY TO ENCOUNTER IN NEXT TWO YEARS. HEAVY FOREIGN BORROWING TO FINANCE RAPID DEVELOPMENT AND CONCURRENT PREPARATIONS FOR OAU CONFERENCE HAVE SWOLLEN GOG DEBT TO DANGEROUS LEVEL AND LED TO CONSIDERABLE
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CAUTION ON PART OF FOREIGN LENDERS. THUS, NEXT TWO YEARS LIKELY SEE SOME DRYING UP OF NEW CREDIT (WITH CONCOMITANT SLOWING OF ECONOMIC DEVELOPMENT) AND GOG EFFORT TO CONSOLIDATE OR STRETCH EXISTING DEBT. COOPERATION OF EUROPEAN AND AMERICAN BANKS WILL BE NECESSARY IN LATTER PROCESS, THUS PROVIDING FURTHER INCENTIVE FOR MAINTENANCE BY GOG OF MODERATE POLICY LINE.

C. OBJECTIVES, COURSES OF ACTION, ISSUES

1. OBJECTIVES:

A. CONTINUED ACCESS, ON FAVORABLE TERMS, TO GABONESE PRIARY PRODUCTS TO WHICH WE ALREADY HAVE ACCESS (MANGANESE, PETROLEUM) AND ASSURANCE THAT AMERICAN FIRMS ALSO HAVE ACCESS TO NEWLY DEVELOPED NATURAL RESOURCES.

B. INCREASED US EXPORTS TO GABON OF BOTH GOODS AND SERVICES, WITH PARTICULAR EMPHASIS ON MAJOR PROJECTS.

C. GABONESE SUPPORT ON KEY INTERNATIONAL

ISSUES, NOTALBY SOUTHERN AFRICAN AND NORTH-SOUTH ISSUES
CITED BY S/P AND AF.

2. COURSES OF ACTION:

A. ASSIST US FIRMS IN PROFITING FROM
GABONESE ECONOMIC BOOM BY USING EMBASSY AND WASHINGTON
RESOURCES TO IDENTIFY OPPORTUNITES, ATTRACT QUALIFIED
FIRMS, AND SUPPORT SUCH FIRMS WITH CREDIT FACILITIES AND
ALL APPROPRIATE ASSISTANCE.

B. AS GABON SUFFERS SHORT TERM CREDIT SQUEEZE
OVER NEXT FEW YEARS, ENCOURAGE PRIVATE US LENDERS AND
INVESTORS TO CONTINUE EVALUATION PROPSALS ON INDIVIDUAL
MERITS AND NOT SIMPLY TO TURN THEIR BACKS ON GABON.

C. CONSOLIDATE GOOD RELATIONS WITH PRESIDENT
BONGO AS KEY ELEMENT IN ASSURING RECEPTIVE CLIMATE FOR
EXPANDED AMERICAN PRESENCE IN GABON. TO THIS END, PROIDE
SUCH VISIBLE AND PERSONAL PROOFS OF OR FAVOR AS PERIODIC
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BRIEFINGS AND CONSULTATIONS WITH BONGO DURING TENURE AS
OAU PRESIDENT AND AFTERWARD: INVITATIO FOR OFFICIAL VISIT
TO US TO CONICIDE WITH UN APPEARANCE FALL 1977 ON
BEHALF OF OAU; AND INCLUSION OF GABON IN ITINERARY OF SENIOR
USG OFFICIALS VISITING AFRICA.

D. MEET PRESENT ASSISTANCE COMMITMENTS AS
MINIMUM INSURANCE FOR CONTINEUD HELATH OF OUR INTERESTS
IN GABON, NOTABLY IN FORM OF FMS CREDITS AND EXIMBANK
RECEPTIVITY TO GOG REQUESTS.

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ACTION AF-08

INFO OCT-01 ISO-00 AGR-05 FEA-01 COM-02 TRSY-02 SS-15

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FM AMEMBASSY LIBREVILLE

TO SECSTATE WASHDC 9118

C O N F I D E N T I A L SECTION 2 OF 2 LIBREVILLE 0791

E. INCREASE PEACE CORPS FUNDING TO PERMIT
EXPANSION OF CURRENT PROGRAMS IN RESPONSE TO GOG REQUESTS
TARGETED AT PRIORITY AREA OF REDUCING INEQUITIES BETWEEN
RURAL AND URBAN POPULATIONS.

F. PROVIDE ADDITIONAL FUNDING FOR USIS AND CU
OPERATIONS IN GABON COMMENSURATE WITH EXPANDING
OPPORTUNITIES, AS THESE PROGRAMS ARE MOST EFFECTIVE
METHOD OF BUILDING INFLUENTIAL NUCLEUS OF AMERICAN-
ORIENTED GABONESE.

G. INCLUDE LIBREVILLE AND/OR PORT GENTIL IN
SCHEDULE OF PORT CALLS FOR US NAVAL VESSELS.

H. IN DISCUSSIONS WITH FRENCH OFFICIAL AND
BUSINESSMEN, CONTINUE TO STRESS THAT INCREASED AMERICAN
PRESENCE IN GABON CAN BE MUTUALLY BENEFICIAL AND IS
NOT INTENDED TO DISPLACE EXISTING FRENCH INTERESTS.

3. ISSUES:

A. GAP BETWEEN WHAT GABON EXPECTS FROM US IN
AID AND OTHER CONTRIBUTIONS TO GABONESE DEVELOPMENT AND
WHAT WE ARE ABLE OR WILLING TO DELIVER IS LIKELY TO WIDEN
INsofar AS CREDIT SQUEEZE OF COMING YEARS DISCOURAGES
US PRIVATE SECTOR LENDERS AND INVESTORS OR LESSENS EXIM-
BANK WILLINGNESS TO EXTEND FRESH CREDITS TO GOG.

B. IN SIMILAR VEIN, WE MAY BE HARD PRESSED TO
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AFFORD BONGO DEGREE OF HIGH LEVEL ATTENTION HE DESIRES,
OR TO MEET DUE BILLS HE WILL PRESENT WHENEVER GOG ALIGNS
ITSELF WITH US AT OUR SPECIFIC REQUEST. STEIGMAN

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